

ARGENTINA PROJECT (S200000044)

U.S. DEPT. OF STATE, A/RPS/IPS

Margaret P. Grafeld, Director

(X) Release () Excise () Deny

Exemption(s):

Declassify: () In Part (X) In Full

() Classify as () Extend as () Downgrade to

Date Declassify on Reason
Argentine Political Situation

UNCLASSIFIED

5/1/76 ~~5/7/76~~ ~~12~~
R
DD006

May 1, 1976

PLACE: Home of
Heriberto Kahn

Miguel Alurralde, Director, Carta Politica
Heriberto Kahn, Political Columnist, La Opinion
Ricardo Yofre, Sub-Secretary General of the Presidency
Frank J. Zambito, Political Officer, US Embassy

COPIES TO:

AMB
DCM

POL-2
ARA-LA/APU

CHRON

Dr. Yofre, who was just named Sub-Secretary General of the Presidency, a position considered by most observers to make him second most important civilian in present government after Economy Minister Martinez de Hoz, held forth on a variety of topics during dinner at home of Mr. Kahn. Following is summary of major topics discussed:

Foreign Affairs

Both Kahn and Alurralde voiced concern over the slow pace of filling key slots in the Foreign Ministry and were critical of the appointment of Admiral Guzzetti as Foreign Minister. According to Yofre, Guzzetti had been a last-minute selection for the Ministry and indeed appeared to be having his problems in coming to grips with his job. Admiral Vanek, the original choice for the job who had in fact served in the first days after the coup, had proved unacceptable to the Junta and Guzzetti was thrown into the breach. It was a tough position with many problems requiring immediate attention such as the filling of 40 ambassadorial posts and the staffing of key positions in the Ministry. Despite this, Yofre admitted that there was some dissatisfaction in the Junta over the slowness Guzzetti is showing in mastering his new job.

Human Rights

Yofre indicated that government has received communications from its embassies in Tokyo, Stockholm, Canberra and other capitals indicating that leftists, many tied to Chilean scene, were attempting to undermine image of the Junta government. He indicated that the Junta was concerned that a distortion of its position on human

POL:FJZambito:mg

UNCLASSIFIED

Approved: AMB:Robert C. Hill

Cleared: POL:WSSmith
DCM:MChaplin

80F178
22/185

UNCLASSIFIED

rights could greatly undermine its efforts to seek foreign investment and credit from European and American capital markets and lead to political isolation now facing Chilean regime. Mr. Kahn noted that his colleagues in American press were paying close attention to matter of human rights and that Newsweek editors had asked correspondent here to check into reports that "20 Argentines a day were being killed in the Buenos Aires area." Yofre noted that he had access to intelligence summary prepared daily for General Videla and rejected that figure as being "absurd." He admitted that reports from the field commanders might err somewhat on the government's side, but that even so, the level of violence was nothing like "20 per day." Both Mr. Kahn and Mr. Zambito noted that even if they were true, the government's failure to publish a comprehensive list of prisoners and its prohibition of "unofficial" news accounts dealing with terrorism placed the government in a vulnerable position vis-a-vis those wishing to discredit the Junta.

Yofre asked what steps Kahn or Zambito would recommend to fend off what he considered to be inevitable leftist attacks on regime. Both responded that as a first priority the Junta should publish a comprehensive list of all the persons it has detained on charges of malfeasance, corruption and political subversion since the coup. Yofre, who is closer to Videla than to the other members of the Junta, responded by noting that Army commanders in the provinces had already prepared and submitted such lists to General Videla but had run into difficulties in getting complete lists of those prisoners held aboard prison ships. According to Yofre, right after the coup, Army officers in the Buenos Aires area had been sent to specific sections in the city with orders to arrest certain persons. These persons were then taken to prison ships in Buenos Aires harbor where most but not all of them now are incarcerated. Naval authorities have not yet provided complete rosters of those held aboard the ships and, since these are in most cases the most prominent prisoners held, the list cannot be published until these names are obtained. Yofre noted that he personally recognized the seriousness of the problem and would urge the Junta to publish a list as soon as possible.

Junta Relations

Mr. Alurralde noted that since the coup there has been a general feeling of unease in political circles over Videla's apparent reluctance to assert himself as "the leader" of the new government. Until this matter of who rules Argentina is solved, the Junta will lack the authority and the political backing it needs to carry out its programs. Both Kahn and Yofre attributed this failure on Videla's part to assert himself as *primus inter pares* to the fact that Admiral Massera, though lacking the manpower available to the Army commander, had much greater political skills and had thus walked off with more real power for the

UNCLASSIFIED

UNCLASSIFIED

Navy than in any coup in Argentine history. According to Yofre, Videla was cognizant of these problems, but his lack of assertiveness is, Yofre insists more apparent than real. In his typically cautious fashion, he would wait, he had waited in making the coup, to assert himself both with the other two CINCs and with his highly publicized hard-line corps commanders. Yofre opined that this would occur within two to three months. Both Kahn and Alurralde objected that if Videla were to wait that long, his public image and indeed his political authority would be severely eroded.

Economic Matters

Yofre broached the question of the new economic team with a visible display of emotion. He noted that in his view Martinez de Hoz had made a basic error by aligning himself with "certain sectors" within the military whom he had hoped would serve as his political base. Having made this move, he would now find himself ever more deeply involved in internal military politics, a situation which would redound to his ultimate disadvantage. Yofre was also concerned that in a government that proclaimed itself implacably opposed to corruption, Martinez de Hoz had appointed to his economic team some individuals whose past behavior was clearly not above reproach. Within this group he named Walter Klein, the Secretary for Planning and Coordination, a man who according to Yofre had in the past few years represented over 60 foreign firms in their dealings with the Peronist government. In some of these representations Klein had used political influence and unethical economic inducements to obtain favorable deals for his clients. These shady dealings are known to a number of military officers and early mutterings of the need to purge some members of Martinez de Hoz's team are already being heard.

Foreign Investment

Yofre at this point turned to Mr. Zambito and stated forcefully that in his view Argentina had to look for foreign investments to achieve the level of development the Junta wished to obtain for the country. However, he was disturbed by fact that some foreign firms were clearly violating Argentine laws in their dealings with the Junta, noting that he himself had been offered a rather substantial bribe from a firm in exchange for some specific favors. Foreign investment must come to Argentina but it must do so intelligently. Any attempts to use bribery or go for quick profits would discredit both the foreign investors and the new government and work to the disadvantage of both.

UNCLASSIFIED